

## Message Text

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64

ACTION EUR-12

INFO OCT-01 ISO-00 SAM-01 AGR-05 INT-05 SP-02 AID-05 EB-07

NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02

OPIC-03 LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 DODE-00

/098 W

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R 231659Z DEC 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 5324

INFO AMEMBASSY BRUSSELS

AMEMBASSY BERN

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY LISBON

AMEMBASSY MADRID

AMEMBASSY OSLO

USMISSION NATO BRUSSELS

LIMITED OFFICIAL USE BONN 20723

E.O. 11652: N/A

TAGS: EAID, PO, GW

SUBJECT: GERMAN DEVELOPMENT ASSISTANCE FOR PORTUGAL

REF: STATE 297463

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1. AS NOTED REFTTEL GERMANS HAVE AGREED TO PROVIDE

DM 70 MILLION IN DEVELOPMENT ASSISTANCE TO PORTUGAL. A CAPITAL ASSISTANCE AGREEMENT OF THIS AMOUNT WAS SIGNED DECEMBER 5. THE LOAN PROVIDES, FOR THE MOST PART, ASSISTANCE TO THE AGRICULTURAL SECTOR. THE BULK OF THE FUNDS WILL BE USED FOR AN IRRIGATION PROJECT IN THE RIO MONDEGO REGION, WITH A PORTION OF THE REMAINDER GOING TOWARD AGRICULTURAL INFRASTRUCTURE IMPROVEMENTS. THE FEDERAL REPUBLIC INTENDS TO STRUCTURE THE CAPITAL ASSISTANCE IN SUCH A WAY THAT A LARGE NUMBER OF NEW JOBS ARE ESTABLISHED IN THE AREA. THE TERMS ARE STANDARD FOR GERMAN CAPITAL ASSISTANCE LOANS TO DEVELOPING COUNTRIES; 2 PERCENT INTEREST, 10-YEAR GRACE PERIOD AND 30-YEAR REPAYMENT SCHEDULE.

2. IN CALENDAR YEAR 1976 THE MINISTER FOR ECONOMIC COOPERATION DOES NOT PLAN TO GRANT FURTHER BILATERAL DEVELOPMENT ASSISTANCE. IN ACCORDANCE WITH THE DEVELOPMENT ASSISTANCE GUIDELINES RECENTLY ADOPTED BY THE CABINET, THE MINISTRY IS REDIRECTING ITS PROGRAM TOWARD THE LEAST DEVELOPED COUNTRIES. SINCE PORTUGAL IS NOT ONE OF THE LEAST DEVELOPED AND HAS IN THE PAST RECEIVED RELATIVELY LARGE AMOUNTS OF GERMAN ASSISTANCE, THE MINISTRY COULD NOT JUSTIFY FURTHER AID IN THE 1976 BUDGET. HOWEVER, THE EUROPEAN INVESTMENT BANK LOAN, WHICH WILL BE PROVIDED BY THE EUROPEAN COMMUNITY, WILL REQUIRE INTEREST SUBSIDIZATION NEXT YEAR FROM EACH OF THE MEMBER STATES. THE GERMANS EXPECT THAT THEIR CONTRIBUTION WILL BE DM 10 TO 15 MILLION.  
HILLENBRAND

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN RELATIONS, DATA, FOREIGN ASSISTANCE  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 DEC 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975BONN20723  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750446-0139  
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**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 76 STATE 297463  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** MorefiRH  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 APR 2003 by MartinML>; APPROVED <07 AUG 2003 by MorefiRH>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GERMAN DEVELOPMENT ASSISTANCE FOR PORTUGAL  
**TAGS:** EAID, PO, GE  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006